

2024

**THE INITIATES PLC UNAUDITED ACCOUNT
FOR YEAR ENDED 31ST MARCH 2024**



FINANCE DEPARTMENT

THE INITIATES PLC

3/31/2024



DOCUMENT TITLE: 2024 FIRST QUARTER MANAGEMENT ACCOUNT

DOCUMENT NO.: TIP-FIN-MNG -0026

REV NO.: 00

Unit/Dept: COMMERCIAL AND FINANCE

Site/Location:

TIP BASE

Completed By: TANEH ROSEMARY

Position: CHIEF FINANCIAL OFFICER

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors of **The Initiates Plc** are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company and the results of its operations, cash flows and changes in equity for the first quarter ended 31st March 2024, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011.

In preparing the financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- making an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Company;
- maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- preventing and detecting fraud and other irregularities.

The financial statements of the Company for the period ended 31st March 2024 were approved by directors on 24th of April 2024.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

.....
Mr. Joe Ogbonna Anosikeh
Chairman
FRC/2014/PRO/DIR/003/00000008836

.....
Mr. Reuben Mustapha Ossai
Managing Director
FRC/2014/PRO/DIR/003/00000009687



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**CERTIFICATE OF COMPLIANCE OF THE INITIATES PLC PURSUANT TO
SECTION 60(2) OF THE INVESTMENT AND SECURITIES ACT, 2007 FOR THE FIRST
QUARTER ENDED 31ST MARCH 2024**

We hereby certify that:

1. The signing officers have reviewed the financial report;
 2. Based on the knowledge of the officers, the Management account does not:
 - a. Contain any untrue statement of a material fact;
 - b. Omit to state a material fact which would make the statement misleading in the light of the circumstances under which the statement was made;
 3. The financial statement represents fairly the financial condition and result of the operations of the Company as of and for the period indicated;
 4. The signing officers:
 - a. Are responsible for establishing and maintaining internal control.
 - b. Have designed such internal control to ensure that material information relating to the Company is made known to such officers within the entity particularly during the period in which the periodic report was prepared.
 - c. Have evaluated the effectiveness of the Company's internal control as of date within 30 days prior to the time of this account.
- I. The signing officers have disclosed to the Audit Committee of the Company.
- II. All significant deficiencies in the design or operations of the internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and was identified for any material weakness in internal controls;

Anosikeh, Joe Ogbonna
Chairman

FRC/2014/PRO/DIR/003/00000008836

Ossai, Reuben Mustapha
Chief Executive Officer

FRC/2014/PRO/DIR/003/00000009687

Taneh Rosemary
Chief Financial Officer

FRC/2017/PRO/ICAN/001/00000016060



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SECURITIES TRADING POLICY

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule): The Initiates Plc maintains effective Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy is regularly reviewed and updated by the Board. The Company has made specific inquiries of all the directors and other insiders and is not aware of any infringement of the policy during the period.

Olaide Odejebi

Company Secretary

FRC/2017/PRO/NBA/002/00000016739



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THE INITIATES PLC

SHAREHOLDING STRUCTURE AND FREE FLOAT STATUS AS AT THE PERIOD ENDED 31ST MARCH 2024

COMPANY NAME: THE INITIATES PLC.
BOARD LISTED: GROWTH BOARD
YEAR END: 31ST DECEMBER
REPORTING PERIOD: 2023 FIRST QUARTER (1ST JANUARY - 31ST MARCH 2024)
SHARE PRICE AS AT REPORTING DATE: N2.27 (2023: N0.40)

DESCRIPTION	2024		2023	
	UNITS	PERCENTAGE (IN RELATION TO ISSUED SHARE CAPITAL) %	UNITS	PERCENTAGE (IN RELATION TO ISSUED SHARE CAPITAL) %
Issued Share Capital @ 50 Kobo per share	889,981,552	100%	889,981,552	100%
Details of Substantial Shareholdings (5% and above)				
DVCF OIL & GAS PLC	157,460,561	17.69	322,828,822	36.27
OSSAI REUBEN M	190,695,237	21.43	190,695,237	21.43
AFOLAYAN SAMUEL	123,108,574	13.83	73,546,061	8.26
Total Substantial Shareholdings	471,264,372	64.08	587,070,120	72.55
Details of Directors Shareholdings (direct and indirect), excluding directors' holding substantial interests				
ANOSIKEH JOE OGBONNA	20,295,796	2.28	20,295,796	2.28
ALIKOR ACHI EDWARD	1,126,761	0.13	1,126,761	0.13
EBINUM JOSEPH (INDIRECT - BELL IYKE LIMITED)	37,550,000	4.22	37,550,000	4.22
OBOH CHARLES AROAWODE	-	-	1,000,000	0.11
OBOH-OZHEREBE GORDON	58,568,412	6.58	58,568,412	6.58
Total Directors' Shareholdings	117,540,969	6.63	118,540,969	6.74
Details of Other Influential shareholdings, if any (E.g. Government, Promoters)				
EMPLOYEES	5,432,282	0.61	5,432,282	0.61
Total of Other Influential Shareholdings	5,432,282	0.61	5,432,282	0.61
Free Float in Unit and Percentage	295,743,929	33.23	178,938,181	20.11
Free Float in Value	₦ 671,338,718.83		₦ 71,575,272.40	

(A) THE INITIATES Plc with a free float percentage of 33.33% as at 31st March 2024, is compliant with The Exchange's free float requirements for companies listed on the GROWTH Board.

(B) THE INITIATES Plc with a free float Value of ₦671,338,718.83 as at 31st March 2024, is compliant with The Exchange's free float requirements for companies listed on the GROWTH Board.



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AUDIT COMMITTEE REPORT OF THE INITIATES PLC

In compliance with Section 359(6) of the Companies and Allied Matters Act CAP.C20, LFN 2004, and Section 60(2) of the Investment and Securities Act 2007, we have reviewed the Management account for the first quarter ended 31st March 2024; and hereby state as follows:

1. We examined the accounting entries, policies and bases for preparation of the first quarter ended 31st March 2024 this was in our opinion adequate.
2. We also reviewed the Internal Auditors report for the period as well as the Management's response thereon.
3. We ascertained that the accounting and reporting policies of the Company for first quarter ended 31st March 2024; are in accordance with legal requirements and agreed ethical practices.

In our opinion, the accounting entries, policies and bases of this Management account for first quarter ended 31st March 2024; was adequate and Management's response to Internal Auditors' findings thereon was satisfactory.

Dated 23rd April, 2024.



NWANMA UGOCHUKWU CHRISTIAN
Chairman

FRC/2017/PRO/ ICAN/002/00000016424

Members of the Committee:

Mr. Christian Ugochukwu Nwanma - Chairman/Shareholder Representative

Sir Enoch Iwueze- Shareholder Representative

Prof.Edward Alikor - Non-Executive Director

Mr. Joseph Ebinum - Non-Executive Director

Mr. Adegbite Olushola Babawale Shareholder Representative



DOCUMENT TITLE: 2024 FIRST QUARTER MANAGEMENT ACCOUNT

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EXECUTIVE SUMMARY:

1.1 FIRST QUARTER (JANUARY – MARCH 2024)

TIP reported a total revenue of **N314.61M** (2023: N197.50M,) represent over **59.30%** increase over same period in 2023. A gross Profit of **N180.77** Million naira which is 57% of the revenue was reported for the quarter as against N85.5 Million showing a significant performance of 111.37% over Q1 2023 gross profit. A remarkable Operational Net Profit Before Tax of **N96.2M** was reported against the profit of N16.5 Million naira i.e. over 480% reported in Q1 2023.

BALANCE SHEET

TIP Balance Sheet values stood at **NGN2.61 Billion** at the close of business (COB) 31 March **2024**

1. ACCOUNT RECEIVABLE:

This stood at **NGN387.05M** as **31 March, 2024** and **NGN254.06M** receivables were above 90 days. This shows an improved debt collection.

2. TRADE PAYABLE:

NGN230.28M is the Account Payable balance as at the close of business (COB) on the **31 March, 2024**.

3. LIQUIDITY & GEARING

With Cash & Cash Equivalent at the close of Q1 standing at **NGN145.1M** and total borrowings reduced to **NGN500M**, indicates improved liquidity situations and a Lower Gearing situation



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4. KEY PERFORMANCE INDICATORS

S/N	BUDGET PARAMETER	QTLY RESULT	QTLY PROJ.
1	Turnover	314,610,107	449,675,250
2	Non-Oil & Gas Revenue	6,065,041	9,604,465
3	New Client	-	-
4	New Project	-	-
5	Operational Net Profit	74,380,115	50,404,417
6	Earnings per Share	0.08	0.06
7	Return on Equity	0.04	0.04
8	Return on Sales	0.21	0.12
9	Price Earning Ratio	6.80	8.46
10	Dividend Yield	-	-
11	Increase in Equity	0.59	2.85
12	Return on Asset	0.12	0.21
13	WMS REVENUE	261,998,088	209,675,250
14	WMS OPREX	120,507,134	121,192,295
15	ICS REVENUE	52,612,018	240,000,000
16	ICS OPREX	13,330,813	30,409,747
17	QHSE COST	6,303,028	13,939,933
18	FINANCE COST	21,023,371	24,732,139
19	ADMIN COST	41,170,487	40,470,772
20	SPS (GMTN) COST	14,440,995	20,774,997
21	BUSINESS DEV COST	50,000	3,597,402

The Management and Board are glad with this continuous increase in revenue and hope to sustained it.



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THE INITIATES PUBLIC LIMITED COMPANY

HIGHLIGHT OF ACCOUNT FOR THE FIRST QUARTER ENDED 31ST MARCH 2024

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31ST MARCH

	ACTUAL	HISTROY	CHANGE
	N'Mn	N'Mn	%
Revenue	314.61	197.50	59.30
Direct cost	133.84	111.97	19.53
Gross Profit	180.77	85.52	111.37
Total Indirect Cost	63.55	47.39	34.11
Financial Cost	21.02	21.63	(2.82)
Profit Before Tax	96.20	16.50	482.86
Provision of Income Tax Expense	30.78	5.28	482.86
Profit for the period	65.41	11.22	482.86

STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH

	ACTUAL	HISTROY	CHANGE
	N'Mn	N'Mn	%
ASSETS			
Non-Current Assets			
Property, plant and Equipment	1,929.06	1,500.68	28.55
Other non - current asset	17.91	31.22	(42.64)
Total Non-Current Assets	1,946.96	1,531.89	27.10
Current Assets			
Inventories	18.53	12.85	44.13
Trade receivables	389.89	271.38	43.67
Cash and cash equivalents	145.17	165.41	(12.23)
Current tax assets	81.14	87.60	(7.38)
Other current tax assets	38.16	32.46	17.56
Total current Asset	672.89	569.71	18.11
Total Assets	2,619.86	2,101.60	24.66
Non-Current Liabilities			
Deferred tax	122.13	82.52	48.00
Long Term Borrowing	500.00	700.00	(28.57)
Total Non-Current Liability	622.13	782.52	(20.50)
Current Liabilities			
Trade and Other payables	230.28	431.14	(46.59)
Current tax liabilities	47.47	12.83	269.98
Other current tax liabilities	137.75	147.43	(6.56)
Employees' benefits	5.35	5.02	6.43
Short term borrowings	116.92	-	100.00
Total current liabilities	537.77	596.43	(9.83)
Total Liabilities	1,159.90	1,378.95	(15.89)
Working Capital	135.12	(26.72)	(605.67)
Net Asset	1,459.96	722.65	102.03

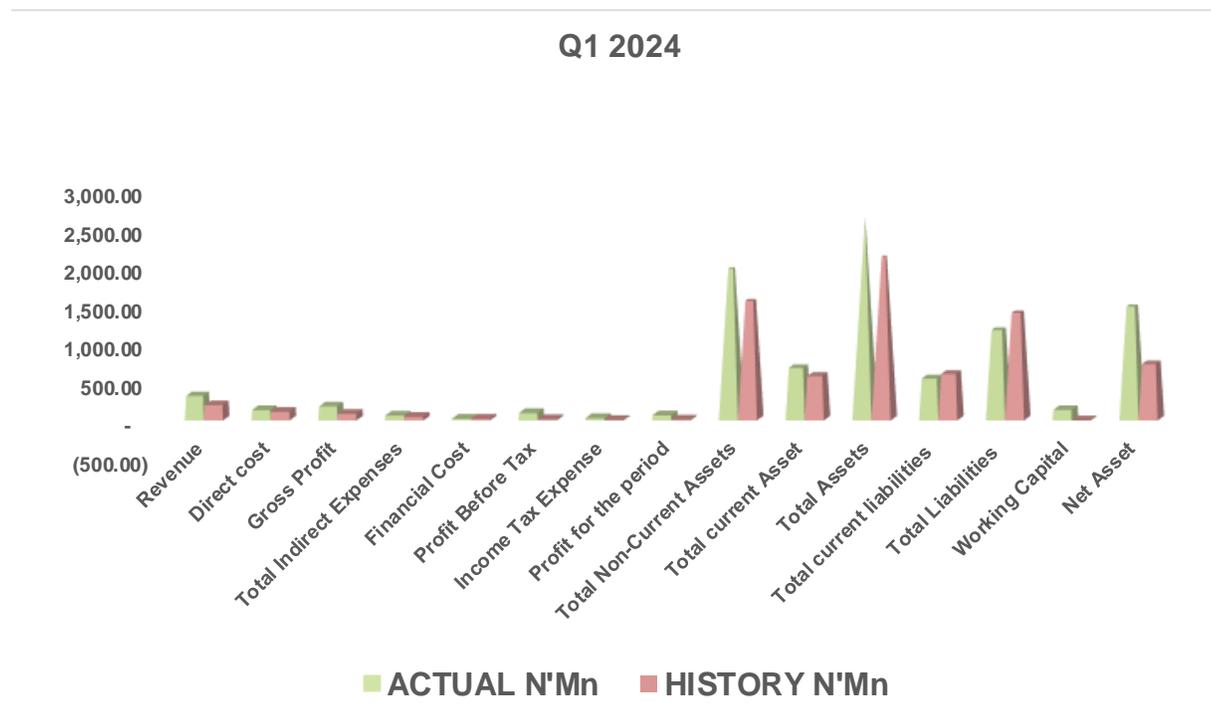


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KEY RATIOS			
	THREE MONTHS ENDED 31ST MARCH		
	Q1 2024	Q1 2023	
Earnings Per Share	0.07	0.01	kobo
Gross Profit Margin	57.46	43.30	%
Net Profit Margin	20.79	5.68	%
Net Asset Per Shares	1.64	0.81	kobo
Return on Capital Employed	3.14	0.75	%
Current Ratios	1.25	0.96	x
Net Working Capital:	0.43	(0.14)	x
Fixed Asset Turnover:	0.20	0.17	x
Receivables Turnover	1.61	1.46	x
Payables Turnover	(1.71)	(0.74)	x
Return On Equity	0.04	0.02	%
Return On Assets	0.12	0.09	%
Price Earning per Share	6.80	39.65	kobo
Gearing Ratio	0.42	0.97	%
Return on Sales	0.21	0.06	%
Annual Revenue Increase	0.59	3.88	%
Annual Net Profit Increase	4.83	1.00	%
Net Profit Per Staff	1,391,806	229,042	%



Graphical representation of TIP's FIRST QUARTER 2024 performance



THE INITIATES PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31ST MARCH 2024

	Note	ACTUAL		HISTORY		CHANGE	2023	2022
		Q1 2024	REVENUE	Q1 2023	%			
Continuing Operations		N	%	N	%			
Revenue from contracts with customers	6	314,610,107	100%	197,495,602	59.30	1,849,471,769	841,469,215	
Cost of sales	7	133,837,947	43%	111,970,867	19.53	1,171,532,339	641,990,433	
Gross profit		180,772,159	57%	85,524,736	111.37	677,939,430	199,478,782	
Other income	6a		0%	-	-	1,191,770	3,741,659	
Staff costs	8	19,654,473	6%	15,867,430	23.87	77,014,490	65,874,416	
Depreciation and impairment loss	9	2,725,455	1%	2,037,070	33.79	9,098,316	7,656,673	
Administrative expenses	10	41,170,487	13%	29,483,267	39.64	141,609,490	167,068,701	
Total Indirect Cost		63,550,415	20%	47,387,767	34.11	227,722,296	240,599,790	
Results from operating activities		117,221,744	37%	38,136,968	207.37	451,408,904	(37,379,349)	
Finance cost	13	21,023,371	7%	21,632,470	(2.82)	78,298,206	19,698,085	
Profit before tax		96,198,374	31%	16,504,498	482.86	373,110,698	(57,077,434)	
Provision for Income tax expense	14.1	30,783,480	10%	5,281,439	482.86	(171,546,102)	(10,331,054)	
Profit for the year		65,414,894	21%	11,223,058	482.86	201,564,596	(67,408,488)	
Other Comprehensive income								
Investment Income received from TIU 6a		76,613,421						
Foreign currency translation difference	6b	139,705,112		(1,434,353)	(9,839.94)	146,662,416	13,705,820	
Revaluation surplus on property, plant and equipment	23.3	-	-	-	-	-	-	
Other comprehensive income for the year		216,318,533		(1,434,353)	-	146,662,416	13,705,820	
Total comprehensive income for the year		281,733,427		9,788,705	2,778.15	348,227,012	(53,702,668)	
Basic earnings per share (kobo)	35	0.07		0.01	482.86	0.23	(0.06)	

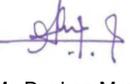
The notes on pages 16 to 28 form part of these financial statements.

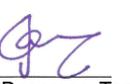
**THE INITIATES PLC****STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2024**

	Note	ACTUAL YTD 2024	HISTORICAL YTD 2023	CHANGE %	2023 N	2022 N
Assets						
Non-current assets						
Property, plant and equipment	15	1,607,550,971	1,130,477,774	42.20	1,531,133,502	1,140,204,567
Assets in Transit	16	215,886,487	265,057,884	(18.55)	120,589,302	265,057,884
Other non-current assets	17	17,907,467	31,218,067	(42.64)	17,907,467	31,218,067
Investment	20	105,619,312	105,140,247	0.46	105,259,214	105,140,247
		1,946,964,236	1,531,893,971	42	1,774,889,485	1,541,620,765
Current assets						
Inventories	18	18,525,777	12,853,744	44.13	13,576,920	14,931,947
Trade and other receivables	19	389,894,793	271,380,463	43.67	490,194,110	293,883,501
Cash and cash equivalents	21	145,171,919	165,406,980	(12.23)	199,663,455	159,028,727
Current tax assets	22	81,138,985	87,602,740	(7.38)	57,687,440	62,910,235
Other current assets	23	38,163,307	32,462,353	17.56	23,756,139	17,643,299
		672,894,780	569,706,280	18.11	784,878,064	548,397,709
Total current assets		2,619,859,016	2,101,600,251	24.66	2,559,767,549	2,090,018,474
Equity and Liabilities						
Equity						
Share capital	24	444,990,776	444,990,776	-	444,990,776	444,990,776
Share premium	25	17,780,000	17,780,000	-	17,780,000	17,780,000
Revaluation reserve	26	303,473,535	303,473,535	-	303,473,535	303,473,535
Retained earnings	27	693,714,516	(43,590,663)	(1,691.43)	411,981,089	(53,379,368)
		1,459,958,827	722,653,648	102.03	1,178,225,400	712,864,943
Non-current liabilities						
Deferred tax liabilities	14.4	122,126,879	82,519,191	48.00	122,126,879	82,519,191
Long Term Borrowing	31	500,000,000	700,000,000	(28.57)	550,000,000	700,000,000
Current liabilities						
Trade and other payables	28	230,278,920	431,144,554	(46.59)	301,070,063	457,342,869
Current tax liabilities	14	47,473,635	12,831,509	269.98	16,685,346	7,550,070
Other current tax liabilities	29	137,751,990	147,426,585	(6.56)	118,846,934	126,139,797
Employees' benefits	30	5,347,615	5,024,763	6.43	2,995,027	2,937,537
Short term borrowing	31.2	116,921,150	-	100.00	269,817,900	-
		537,773,310	596,427,411	(9.83)	709,415,270	593,970,273
Total current liabilities		1,159,900,189	1,378,946,602	(15.89)	1,381,542,149	1,376,489,464
Total liabilities		2,619,859,016	2,101,600,251	24.66	2,559,767,549	2,089,354,407
Total equity and liabilities		2,619,859,016	2,101,600,251	24.66	2,559,767,549	2,089,354,407

These financial statements were approved by the Board of Directors on 24TH APRIL 2024 and signed on its behalf by:


Mr. Joe Ogbonna Anosikeh
Chairman
FRC/2014/PRO/DIR/003/00000008836


Mr. Reuben Mustapha Ossai
Managing Director
FRC/2014/PRO/DIR/003/00000009687


Rosemary Taneh
Chief Finance Officer
FRC/2017/PRO/ICAN/001/00000016060

The notes on pages 16 to 28 form part of these financial statements.



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THE INITIATES PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31ST MARCH 2024

	Share capital N	Share premium N	Revaluation reserve N	Retained earnings N	Total Equity N
At 1 January	444,990,776	17,780,000	303,473,535	411,981,089	1,178,225,400
Profit for the year	-	-	-	281,733,427	281,733,427
	444,990,776	17,780,000	303,473,535	693,714,516	1,459,958,827
At 31st March	444,990,776	17,780,000	303,473,535	693,714,516	1,459,958,827

FOR THE PERIOD ENDED 31ST MARCH 2023

	Share capital N	Share premium N	Revaluation reserve N	Retained earnings N	Total Equity N
At 1 January	444,990,776	17,780,000	303,473,535	81,978,410	848,222,721
Profit for the year	-	-	-	-	-
	444,990,776	17,780,000	303,473,535	81,978,410	848,222,721
At 31 March	444,990,776	17,780,000	303,473,535	81,978,410	848,222,721

FOR THE PERIOD ENDED 31ST DECEMBER 2023

	Share capital N	Share premium N	Revaluation reserve N	Retained earnings N	Total Equity N
At 1 January	444,990,776	17,780,000	303,473,535	(53,379,368)	712,864,943
Prior year adjustments	-	-	-	117,133,445	117,133,445
Profit for the year	-	-	-	348,227,012	348,227,012
At 31 December	444,990,776	17,780,000	303,473,535	411,981,089	1,178,225,400



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THE INITIATES PLC

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST MARCH 2024

Note	ACTUAL Q1 2024 N	HISTORY Q1 2023 N	CHANGE %	2023 N	2022 N
Cashflow from Operating Activities					
	530,156,831	224,064,857	136.61	596,878,485	585,946,491
	(157,481,948)	(173,309,947)	(9.13)	(177,056,025)	(239,728,740)
	(19,654,473)	(15,867,430)	23.87	(115,384,096)	(92,223,763)
	(30,783,480)	(5,281,439)	-	(11,998,243)	-
Total	322,236,930	29,606,040	988.42	292,440,121	253,993,988
Cashflow from Investment Activities					
	(184,124,582)	(1,595,317)	11,441.57	(173,131,600)	(633,677,455)
	(95,297,185)	-	100.00	(120,589,302)	(98,833,246)
	76,613,421	-	100.00	(118,967)	640
Total	(202,808,345)	(1,595,317)	12,612.73	(293,839,869)	(732,510,061)
Cashflow from Financing Activities					
		-		269,817,900	5,000,000
	(152,896,750)	-		(150,000,000)	(5,000,000)
	-	-		514,782	-
	-	-			366,415
	-	-			(1,299,260)
	(21,023,371)	(21,632,470)	(2.82)	(78,298,206)	(19,698,085)
Total	(173,920,121)	(21,632,470)	703.98	42,034,476	(20,630,930)
Net Cash Flow	(54,491,536)	6,378,253	(954.33)	40,634,728	(499,147,003)
Opening Balance	199,663,455	159,028,727	25.55	159,028,727	658,175,730
Closing Balance	145,171,919	165,406,980	(12.23)	199,663,455	159,028,727



THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2024

	ACTUAL Q1 2024 N	HISTORY Q1 2023 N	CHANGE %	2023	2022 N
6. Revenue from contracts with customers					
Waste Management Service	261,998,088	49,910,424	424.94	1,033,555,438	841,469,215
Industrial Cleaning Service	52,612,018	147,585,178	(64.35)	815,916,330	-
	314,610,107	197,495,602	59.30	1,849,471,769	841,469,215
The revenue from contracts with customers is made up of:					
TDU	232,490,136	14,852,885	1,465.29	784,852,115	362,635,385
Incineration	5,328,106	31,155,129	(82.90)	87,237,482	83,259,628
E- Waste	24,179,846	3,902,410	519.61	65,815,241	114,952,127
Asbestos	-	-	-	95,650,600	280,622,075
ICS Vessel	11,609,717	28,585,018	(59.39)	104,632,827	-
ICS FPSO	41,002,301	119,000,160	(65.54)	711,283,504	-
ICS - HE	-	-	-	-	-
	314,610,107	197,495,602	59.30	1,849,471,769	841,469,215
6a. Other income					
Interest Received	-	-	-	-	640
Dividend Received	76,613,421	-	100.00	-	-
Debt recovery	-	-	-	-	3,415,250
Sundry income	-	-	-	1,191,770	325,769
	76,613,421	-	100.00	1,191,770	3,741,659
Dividend received is TIP' s portion of the dividend declared by The Initiates Uganda from the profit of its 2023 accounting year ended 30th June 2023 amounting to \$48,705 after deducting 15% withholding tax.					
6b Foreign exchange gains					
This represents exchange difference arising from translation of foreign currency transactions during the year under review.					
Realized foreign exchange gains	(140,536)	(648,915)	-	134,405,771	13,705,820
Unrealized foreign exchange gains	147,395,115	2,341,645	6,194.51	12,256,645	-
Foreign exchange gains	147,254,580	1,692,730	8,599.24	146,662,416	13,705,820



DOCUMENT TITLE: 2024 FIRST QUARTER MANAGEMENT ACCOUNT

DOCUMENT NO.: TIP-FIN-MNG -0026

REV NO.: 00

7. Cost of sales

Collection & Haulage	49,836,700	25,136,875	98.26	431,121,284	175,785,194
Waste Disposal	176,300	2,352,000	(92.50)	80,125,390	21,909,378
Rental & Handling of TIs & Eqpt	22,603,428	7,125,164	217.23	269,290,907	137,402,303
Equipment Repairs Maintenance	11,994,295	4,396,350	172.82	29,606,787	35,603,096
Employee Cost	12,066,881	8,903,338	35.53	38,369,606	26,349,347
Transport and Travelling	1,873,000	5,337,685	(64.91)	16,890,545	8,010,542
Consumables	15,262,839	3,599,128	324.07	213,690,629	103,541,567
Depreciation	9,684,477	34,173,196	(71.66)	38,162,233	36,261,211
Direct wages	2,467,000	9,285,029	(73.43)	16,985,025	48,923,200
Security and Community Expenses	1,520,000	3,338,514	(54.47)	17,348,958	21,737,295
Compliance Monitoring	6,303,028	2,895,208	117.71	17,689,375	21,446,439
Business Development	50,000	5,428,382	(99.08)	2,251,600	5,020,861
	133,837,947	111,970,867	19.53	1,171,532,339	641,990,433

8. Staff costs

Staff Salaries and Wages (Corporate)	12,851,743	12,548,466	2.42	93,830,258	73,476,897
Staff Pensions (Employer)	1,467,546	1,289,748	13.79	5,220,296	6,063,092
Staff Welfare	100,000	50,000	100.00	5,752,000	1,935,600
Leave Allowance	1,277,760	-	100.00	-	3,323,966
Terminal Benefit	1,427,793	-	100.00	1,226,078	-
Medical Expense	2,529,631	1,979,216	27.81	9,355,464	7,424,208
	19,654,473	15,867,430	23.87	115,384,096	92,223,763

UNPRESENTED CHEQUE.

8b.

Total employee costs recognised in profit or loss

Cost of sales	12,066,881	8,903,338	35.53	16,890,545	8,010,542
Administrative expenses	19,654,473	15,867,430	23.87	115,384,096	92,223,763
	31,721,354	24,770,767	28.06	132,274,641	100,234,305

9. Depreciation and impairment loss

Depreciation	2,725,455	2,037,070	33.79	9,098,316	7,656,673
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10. Administrative expenses

Directors' emolument	6,510,000	6,510,000	-	27,360,000	18,500,000
Directors' allowances and expenses	1,500,000	770,000	94.81	6,475,386	6,584,483
Directors' fees	687,500	60,000	1,045.83	2,750,000	2,750,000
Transport and travelling expenses	1,165,282	461,500	152.50	3,752,030	5,302,875
Legal and professional fees	4,876,874	3,652,658	33.52	9,056,865	42,713,834
Electricity	431,922	569,380	(24.14)	5,439,980	2,856,275
Fuel and diesel	4,713,875	7,896,150	(40.30)	22,036,070	10,819,401
Licenses and levies	130,000	655,500	(80.17)	1,625,067	1,919,848
Donation & Gift	-	-	-	500,000	1,080,000
Repairs and maintenance	2,446,700	801,100	205.42	6,434,400	6,378,713
Printing and stationery	230,512	397,431	(42.00)	1,552,018	2,090,131
Insurance	3,291,828	1,008,040	226.56	4,922,072	4,509,346
Telephone and postage	189,664	184,960	2.54	1,136,145	1,044,258
Entertainment	45,500	95,600	(52.41)	663,665	437,310
Internet expenses	631,819	142,810	342.42	319,250	2,216,314
Industrial Training Fund	-	158,674	100.00	1,689,814	1,035,626
Bank charges	2,263,903	498,224	354.39	5,859,951	4,513,519
Training expenses	300,000	195,000	53.85	1,115,500	171,500
Local content tax	3,951,205	2,366,199	66.99	14,755,069	5,621,771
Subscription	2,870,965	346,161	729.37	2,625,172	1,255,868
Meal expenses	2,164,200	1,110,780	94.84	5,310,820	3,824,540
Corporate social responsibility	-	-	-	1,178,000	5,000,000
Balances written off	-	-	-	8,000	17,344,935
Auditors' remuneration	875,000	1,000,000	(12.50)	3,500,000	2,500,000
Security expenses	924,213	-	100.00	3,819,135	2,780,373
Unrealized foreign exchange loss	-	-	-	-	8,640,195
Office and general expenses	969,523	603,100	-	7,725,081	5,177,586
	41,170,487	29,483,267	39.64	141,609,490	167,068,701

**THE INITIATES PLC****NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2024****13. Finance cost**

This represents interests charged by Guaranty Trust Bank Plc and Wema Bank Plc on invoice discounting and loan facilities obtained respectively by The Initiates Plc.

	ACTUAL Q1 2024 N	HISTORY Q1 2023 N	CHANGE	2023	2022 N
Other financial charges		498,224	(100.00)	18,391,402	16,625,415
Interest on loans	21,023,371	21,134,247	(0.52)	59,906,804	3,072,670
	21,023,371	21,632,470	(2.82)	78,298,206	19,698,085
14. Taxation					
14a Income tax expense					
Company income tax	28,859,512	4,951,349	482.86	90,673,352	4,207,346
Education tax	1,923,967	330,090	482.86	16,658,550	690,285
Police Trust Fund	4,810	-	100.00	25,989	-
	30,788,289	5,281,439	482.95	107,357,891	4,897,631
	-	-			
Prior year under-provision	-	-		24,580,523	45,998,585
	30,788,289	5,281,439	482.95	131,938,414	50,896,216
Deferred tax	-	-		39,607,688	(40,565,162)
Income tax expense as per profit or loss	30,788,289	5,281,439	482.95	171,546,102	10,331,054
14b Current tax liabilities					
Movement in Income tax liabilities					
At 1 January	16,685,346	7,550,070	-	7,550,070	834,428
Adjustment	-	-	-	1,527,225	-
Prior year under-provision (note 13.1.1)	-	-		24,580,523	45,998,585
Payments during the year	-	-	483	(11,998,243)	-
Tax charge for the year	30,788,289	5,281,439		107,357,891	4,897,631
Withholding tax credit notes applied	-	-		(112,332,120)	(44,180,574)
	47,473,635	12,831,509	269.98	16,685,346	7,550,070
14.3 Reconciliation of effective tax rate					
	96,198,374	16,504,498	482.86	519,773,114	(43,371,614)
Profit/(loss) for the year before tax				(12,256,645)	-
Unrealized exchange gains	96,198,374	16,504,498	482.86	507,516,469	(43,371,614)
Minimum tax					4,207,346
Income tax using the company's domestic tax rate of 30%	28,859,512	4,951,349	482.86	152,254,941	-
Education tax using tax rate of 3% (2022: 2.5%)	1,923,967	330,090	482.86	15,225,494	690,285
Police Trust Fund	4,810	-	-	25,989	-
Tax effect on expenses not deductible for tax purposes	-	-	-	15,763,621	-
Tax effect on capital allowances	-	-	-	(75,912,153)	-
Tax effect on tax incentives	-	-	-	-	-
Under-provision in prior year	-	-	-	24,580,523	45,998,585
	30,788,289	5,281,439	482.95	131,938,415	50,896,216
Tax charge in income statement (Income tax and Education tax)	30,788,289	5,281,439	482.95	131,938,415	50,896,216
Effective tax rate	32	32	100.02	25	(117)



THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2024

14.4 Deferred tax liabilities

	ACTUAL Q1 2024	HISTORY Q1 2023	CHANGE	Accelerated tax	Depreciation	Total
	N	N		N		
At 1 January 2024	122,126,879	82,519,191	48.00	100,958,053	22,126,300	123,084,353
Movement in the year	-	-	-	-	-	(40,565,162)
At 31 December 2022	122,126,879	82,519,191	48.00	100,958,053	22,126,300	82,519,191
Movement in the year	-	-	-	-	-	39,607,688
At 31st March	122,126,879	82,519,191	48.00	100,958,053	22,126,300	122,126,879

15. Property, Plant and Equipment

15.1 Summary

The carrying amount of property, plant and equipment is stated as follows;

	ACTUAL YTD 2024	HISTORICAL YTD 2023	CHANGE	2023	2022
	N	N	%	N	N
Land	71,166,593	65,500,000	8.65	71,166,592	65,500,000
Buildings	283,308,253	159,561,774	77.55	156,937,733	160,436,456
Capital Work-in-Progress	654,441,362	309,396,912	100.00	705,120,915	309,396,912
Motor Vehicle	12,811,573	5,197,865	146.48	581,490,071	594,820,385
Plant and Machinery	583,782,346	586,303,693	(0.43)	13,944,604	5,643,396
Furniture and Fittings	939	74,512	100.00	1,935	116,414
Office & HSE Equipment	2,039,905	4,443,017	(54.09)	2,471,652	4,291,004
	1,607,550,971	1,130,477,774	42.20	1,531,133,502	1,140,204,567



THE INITIATES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2024**

15.2A FOR THE PERIOD ENDED 31ST MARCH 2024

	Land N	Buildings N	Capital Work- in-Progress N	Motor Vehicle N	Plant and Machinery N	Furniture and Fittings N	Office & HSE Equipment N	Total N
Deemed Cost								
At 1 January 2024	71,166,593	234,398,173	645,658,862	18,128,500	762,781,403	5,800,299	15,651,501	1,736,588,276
Addition in the period		67,783,147	8,782,500		11,976,750		285,000	88,827,397
At 31st March	71,166,593	302,181,320	654,441,362	18,128,500	774,758,153	5,800,299	15,936,501	1,842,412,727
Accumulated Depreciation and impairment loss								
At 1 January 2024	-	(17,998,386)	-	(4,183,896)	(181,291,331)	(5,798,363)	(13,179,849)	(222,451,825)
Charge for the year	-	(874,681)	-	(1,133,031)	(9,684,477)	(996)	(716,747)	(12,409,932)
At 31st March	-	(18,873,067)	-	(5,316,927)	(190,975,808)	(5,799,360)	(13,896,596)	(234,861,757)
Carrying amount								
At 31st March 2023	71,166,593	283,308,253	654,441,362	12,811,573	583,782,346	939	2,039,905	1,607,550,971
At 31st December 2022	71,166,593	207,785,234	645,658,862	13,944,604	573,552,709	1,936	2,449,962	1,514,559,899

15.2A FOR THE PERIOD ENDED 31ST MARCH 2023

	Land N	Buildings N	Capital Work- in-Progress N	Motor Vehicle N	Plant and Machinery N	Furniture and Fittings N	Office & HSE Equipment N	Total N
Deemed Cost								
At 1 January 2022	65,500,000	174,936,120	309,396,912	7,128,500	737,949,483	5,800,299	14,684,530	1,315,395,844
Addition in the year	-	-	-	-	768,337	-	826,971	1,595,308
At 31st March 2023	65,500,000	174,936,120	309,396,912	7,128,500	738,717,820	5,800,299	15,511,501	1,316,991,152
Accumulated Depreciation and impairment loss								
At 1 January 2023	-	14,499,664	-	1,485,104	143,129,098	5,683,885	10,393,526	175,191,277
Charge for the year	-	802,183	-	352,712	7,444,859	9,702	255,900	8,865,356
At 31st March 2023	-	15,301,847	-	1,837,816	150,573,957	5,693,587	10,649,426	184,056,633
Carrying amount								
At 31st March 2023	65,500,000	159,634,273	309,396,912	5,290,684	588,143,863	106,712	4,862,075	1,132,934,519
At 31st March 2022	43,600,000	162,819,697	-	6,629,531	620,325,597	(198,001)	5,949,300	839,126,125

15.2B FOR THE PERIOD ENDED 31ST DECEMBER 2023

Analysis of Property, Plant and Equipment

	Land N	Buildings N	Capital Work- in-Progress (note 15.4) N	Plant and Machinery N	Motor Vehicles N	Furniture and Fittings N	Office & HSE Equipment N	Total N
Deemed Cost								
At 1 January 2022	43,600,000	174,696,120	-	727,884,076	-	6,513,400	15,629,642	968,323,238
Assets written off	-	-	-	(18,689,272)	-	(713,101)	(2,144,592)	(21,546,965)
Additions in the year	21,900,000	240,000	309,396,912	28,754,679	7,128,500	-	1,199,480	368,619,571
Disposals	-	-	-	-	-	-	-	-
At 31 December 2022	65,500,000	174,936,120	309,396,912	737,949,483	7,128,500	5,800,299	14,684,530	1,315,395,844
Additions in the year	5,666,592	-	130,666,119	24,831,919	11,000,000	-	966,970	173,131,600
Transfer	-	-	265,057,884	-	-	-	-	265,057,884
Disposals	-	-	-	-	-	-	-	-
At 31 December 2023	71,166,592	174,936,120	705,120,915	762,781,402	18,128,500	5,800,299	15,651,500	1,753,585,328
Accumulated Depreciation and impairment loss								
At 1 January 2022	-	11,002,942	-	108,289,042	-	6,169,160	8,998,610	134,459,754
Written off	-	-	-	(1,421,155)	-	(660,424)	(1,104,782)	(3,186,361)
Charge for the year	-	3,496,722	-	36,261,211	1,485,104	175,149	2,499,698	43,917,884
Disposals	-	-	-	-	-	-	-	-
At 31 December 2022	-	14,499,664	-	143,129,098	1,485,104	5,683,885	10,393,526	175,191,277
Charge for the year	-	3,498,723	-	38,162,233	2,698,792	114,479	2,786,322	47,260,549
Disposals	-	-	-	-	-	-	-	-
At 31 December 2023	-	17,998,387	-	181,291,331	4,183,896	5,798,364	13,179,848	222,451,826
Carrying amount								
At 31 December 2023	71,166,592	156,937,733	705,120,915	581,490,071	13,944,604	1,935	2,471,652	1,531,133,502
At 31 December 2022	65,500,000	160,436,456	309,396,912	594,820,385	5,643,396	116,414	4,291,004	1,140,204,567

**THE INITIATES PLC****NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2024****15.3 Deemed cost**

On 5 November 2018, the company's property, plant and equipment were revalued by Messrs. Jide Taiwo & Co (Estate Surveyors and Valuers - FRC/2012/00000000254) on the basis of open market value of N880,800,000. The revalued amount was incorporated in these financial statements. The surplus of N221,263,007 arising therefrom was transferred to revaluation reserve account.

15.4 Capital work-in-progress

These represent costs of property, plant and equipment acquired year which have not been put to use as at 31st Dec

	ACTUAL YTD 2024	HISTORICAL YTD 2023	CHANGE	2023	2022
	N	N	%	N	N
Thermal Desorption Unit (TDU) with components	148,968,234	148,968,234	-	148,968,234	148,968,234
High Pressure Pump	144,698,678		100.00	144,698,678	
500KVA Soundproof Perkins Generator	15,730,000		100.00	15,730,000	
Gerotto Robotic Tank Cleaning Equipment	302,879,950	144,698,678	109.32	302,879,950	144,698,678
Fabrication of Water Based Mud and Waste Water Treatment Plant	33,382,000	15,730,000	112.22	33,382,000	15,730,000
Construction of TDU Building	123,372,253		100.00	59,462,053	
	769,031,115	309,396,912	100	645,658,862	309,396,912

15.5 Depreciation

Cost of sales	9,684,477	34,173,196	(71.66)	38,162,233	36,261,211
Administrative expenses	2,725,455	2,037,070	33.79	9,098,316	7,656,673
	12,409,932	36,210,266	(65.73)	47,260,549	43,917,884

15.6 Security

All the Company's property, plant and equipment were pledged as security as at 31st March 2024.

16. Asset-in-transit

	215,886,487	265,057,884	(18.55)	120,589,302	265,057,884
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This represents OIL SLUDGE SEPERATION SYSTEM which was not received by The Initiates Plc as at 31st March 2024.

17. Other non-current assets

Prepaid fees on Loan (note 17.1)	10,167,467	19,608,067	(48.15)	10,167,467	19,608,067
Deferred costs (note 17.2)	7,740,000	11,610,000	(33.33)	7,740,000	11,610,000
	17,907,467	31,218,067	100.00	17,907,467	31,218,067

17.1 Prepaid fees on loan

These represent non-current portion of the fees charged by Providus Bank Plc on Bank Guarantee for loan facility of N700.0 million obtained from Bank of Industry in 2021 by The Initiates Plc. This also include legal fees paid to Bank of Industry and also fees charged by Consultants. The loan facility has a tenor of 5 years.

17.2 Deferred costs

These represent non-current portion of costs on environmental evaluation study as required by the Ministry of Environment.

18. Inventories

	ACTUAL YTD 2024	HISTORY YTD 2023	CHANGE	2024	2022
	N	N	%	N	N
Diesel	1,088,000	4,603,500	(76.37)	550,064	5,422,750
QHSE Consumables	4,820,317	1,497,567	221.88	5,142,666	2,272,867
Stationeries	225,194	140,563	60.21	212,856	286,994
Technical/Electrical items	12,309,209	6,559,479	87.66	7,568,779	6,896,079
Other consumables	83,057	52,635	57.80	102,555	53,257
	18,525,777	12,853,744	44.13	13,576,920	14,931,947

The value of inventories recognised as an expense during the period was N20.39 million (2023: N15.942 million).

No inventory was pledged as security during the year.

The Company uses First In First Out method in valuing its inventory.



THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2024

	ACTUAL YTD 2024 N	HISTORY YTD 2023 N	CHANGE %	2023 N	2022 N
19. Trade and other receivables					
Trade receivables (note 18.1)	387,048,952	266,825,862	45.06	485,235,196	292,029,748
Staff loans and advances (18.2)	2,836,840	4,545,601	(37.59)	4,958,914	1,844,753
Other Receivable	9,000	9,000	100.00	-	9,000
	389,894,793	271,380,463	43.67	490,194,110	293,883,501
19.1 Trade receivables					
Receivables from customers	387,048,952	266,825,862	45.06	499,200,041	305,994,593
Allowance for expected credit losses (note 18.1.1)	-	(13,964,845)	-	(13,964,845)	(13,964,845)
	387,048,952	252,861,017	53.07	485,235,196	292,029,748
Ageing of trade receivables					
Current	75,754,296	168,182,293	(54.96)	86,590,632	98,130,598
1 - 30 days past due	75,609,089	49,543,377	52.61	15,502,803	-
31 - 60 days past due	102,700,811	7,403,600	1,287.17	-	-
61 - 90 days past due	14,490,675	1,003,821	1,343.55	65,382,876	-
Over 90 days past due	118,494,082	40,692,771	191.19	331,723,730	207,863,995
	387,048,952	266,825,862	45.06	499,200,041	305,994,593
19.1.1 Movement in allowance for credit losses					
At 1 January	13,964,845	(17,380,095)	(180.35)	13,964,845	17,380,095
Debt recovery	-	3,415,250	-	-	(3,415,250)
Allowance for the year	-	-	-	-	-
At 31st March 2024	13,964,845	(13,964,845)	(200.00)	13,964,845	13,964,845
19.2 Key management personnel and staff loans					
Loan to key management personnel	1,400,000	-	100.00	2,000,000	-
Staff loans and advances	1,436,840	4,325,390	(66.78)	2,958,914	1,844,753
Allowance for expected credit losses	-	-	-	-	-
	2,836,840	4,325,390	(34.41)	4,958,914	1,844,753
19.2b. Relationship with key management Personnel					
Key management personnel include the Directors and the management staff of the Company					
19.2c. Transactions					
During the period, the sum of N2 million was granted as soft loan to a key Management Personnel of the Company.					
20 Investments as at 31st March	105,259,214	105,140,247	0.11	105,140,247	105,140,247
In February 2018, the Company entered into a joint venture agreement with a local company in Uganda with a view to tendering for waste management contracts in Total Uganda. This was followed up by the incorporation of a company (The Initiates Uganda Limited) in November 2018.					
The authorized share capital of The Initiates Uganda Limited is UGX 100,000,000 (One Hundred Million Uganda shillings) i.e. 100 ordinary shares of UGX 1,000,000 (One Million Uganda shillings) each. The shareholders of the company are The Initiates Plc and Dag & Bragan Oil & Gas Services Limited with ownership structure of 60:40.					
The balance is made up of the following:					
Pre-Incorporation expenses	6,307,001	6,307,001	-	6,307,001	6,307,001
Cost of TDU Plant	85,562,903	85,562,903	-	85,562,903	85,562,903
Funds provided as working capital	8,674,388	8,674,388	-	8,674,388	8,674,388
Other expenses	4,714,922	4,595,955	2.59	4,714,922	4,595,955
	105,259,214	105,140,247	0.11	105,259,214	105,140,247

**THE INITIATES PLC****NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2024**

	ACTUAL YTD 2023	HISTORY YTD 2022	CHANGE	2023	2022
	N	N	%	N	N
21. Cash and cash equivalents					
Cash and cash equivalents represent cash in hand and at bank as at end of period.					
Cash in hand	41,833	378,940	(88.96)	185,003	59,900
Cash at bank	139,027,625	159,440,364	(12.80)	193,375,992	153,381,150
	139,069,459	159,819,303	(12.98)	193,560,995	153,441,050
Short Term Investment (note 19.1)	6,102,460	5,587,677	9.21	6,102,460	5,587,677
	145,171,919	165,406,980	(12.23)	199,663,455	159,028,727

21.1 Short Term Investment

In August 21st 2023, N5,910,098.15 was invested in Apel Investment Trust which had tenors of 182 days with the interest rates of 10% per annum. This was apportioned and the interest amount for 132 days was added to the capital to arrive at the total investment sum as at 31st March 2024.

22. Current tax assets

These represent withholding tax receivable as at period end.

	ACTUAL YTD 2024	HISTORY YTD 2023	CHANGE	2023	2022
	N	N	%	N	N
At 1 January	57,687,440	62,910,235	(8.30)	62,910,235	78,079,975
Adjustment	-	24,692,505	(100.00)	26,440,865	-
Withholding tax in the year	23,451,545		100.00	80,668,460	29,010,834
Withholding tax credit notes applied				(112,332,120)	(44,180,574)
At 31st March 2024	81,138,985	87,602,740	(7.38)	57,687,440	62,910,235

23. Other current assets

Prepaid insurance	6,614,117	2,606,739	153.73	10,445,539	4,332,699
Prepaid fees on loan	19,608,067	9,440,600	107.70	9,440,600	9,440,600
Deferred costs	10,642,500	19,608,067	(45.72)	3,870,000	3,870,000
Prepaid Medicals	1,298,623	806,947	60.93		
Prepaid expenses	38,163,307	32,462,353	17.56	23,756,139	17,643,299

**THE INITIATES PLC****NOTES TO THE FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED 31ST MARCH 2024

	ACTUAL YTD 2023 N	HISTORY YTD 2022 N	CHANGE %	2023 N	2022
24. Issued Share Capital					
889,981,552 ordinary shares of N0.50 each	444,990,776	444,990,776	-	444,990,776	444,990,776
24.1 Issued Share Capital					
At the 12th - 16th Annual General Meeting held on 23rd March 2015, the paid up share capital of the company was increased by the capitalization of dividends for 2013 and 2014 and also issue of bonus shares to shareholders.					
25. Share premium					
At 1 January	17,780,000	17,780,000	-	17,780,000	17,780,000
At 31st March 2023	17,780,000	17,780,000	-	17,780,000	17,780,000
26. Revaluation Reserve					
On 5 November 2018, the company's property, plant and equipment were revalued by Messrs. Jide Taiwo & Co (Estate Surveyors and Valuers - FRC/2012/0000000000254) on the basis of open market value of N880,800,000. The revalued amount was incorporated in these financial statements. The surplus of N221,263,007 arising therefrom was transferred to revaluation					
At 1 January	303,473,535	303,473,535	-	303,473,534	303,473,535
At 31st March 2023	303,473,535	303,473,535	-	303,473,534	303,473,535



**THE INITIATES PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2024**

	ACTUAL YTD 2024	HISTORY YTD 2023	CHANGE	2023	2022
	N	N	%	N	N
27. Retained earnings					
At 1 January	411,981,089	(53,379,368)	(871.80)	(53,379,368)	323,300
Prior year adjustments			-	117,133,445	-
Profit/(loss) for the year	281,733,427	9,788,705	2,778.15	348,227,012	(53,702,668)
At 31 March	693,714,516	(43,590,663)	(1,691.43)	411,981,089	(53,379,368)
28. Trade and other payables					
Trade payables	180,030,885	356,104,654	(49.44)	254,331,657	401,152,699
Dividend payable (note 28.2)	6,706,191	6,191,409	8.31	6,706,191	6,191,409
Advances from customer (note 28.1)	-	35,488,893	(100.00)	-	35,488,893
Other payables	139,416	155,621	(10.41)	139,416	155,621
Accruals (notde 28.3)	43,402,428	33,203,977	30.71	34,940,695	14,354,247
	230,278,920	431,144,554	(46.59)	296,117,960	457,342,869
28.1 Advances from customer					
These represent payments made by Belbop Nigeria Limited and Caleb Roland in the current year for jobs yet to be executed.					
28.2 Dividend payable					
Unclaimed Dividends	6,706,191	6,191,409	8.31	5,315,094	5,315,094
Interest on unclaimed dividends	-	-	-	1,391,097	876,315
At 31st March 2024	6,706,191	6,191,409	8.31	6,706,191	6,191,409
Unclaimed Dividends					
At 1 January	5,315,094	6,614,354	(19.64)	5,315,094	6,614,354
Unclaimed dividends in the year	-	-	-	-	-
Payments made during the year	-	-	-	-	(1,299,260)
At 31st March 2024	5,315,094	6,614,354	(19.64)	5,315,094	5,315,094
28.3 Accruals					
Accrued Auditors Fees	875,000	500,000	75.00	3,500,000	2,500,000
Accrued Professional Fees	375,000	1,500,000	(75.00)	1,500,000	1,500,000
Accrued Directors' Fees	687,500	1,674,973	(58.95)	125,800	2,710,000
Accrued Interest on Loan	21,023,371	18,026,615	16.62	11,287,671	3,500,000
Accrued Interest on Unclaimed Dividend	1,391,097	-	100.00	-	-
Accrued Terminal Benefit	112,376	1,009,937	(88.87)	161,445	-
Accrued Staff Salary	5,952,305	-	100.00	-	-
Accrued Board Expenses	9,914	500,000	(98.02)	9,914	24,000
Accrued Contract Staff	1,575,590	6,250,387	(74.79)	1,200,000	4,000,000
Accrued Security & Com Expense	2,000,000	1,655,590	20.80	1,555,590	120,247
Other Accrued Waste Disposal Expenses	9,400,275	1,398,975	571.94	13,100,275	-
Accrued Staff Wefares	-	687,500	(100.00)	2,500,000	-
	43,402,428	33,203,977	30.71	34,940,695	14,354,247
29. Other current tax liabilities					
Pay As You Earn	2,176,451	1,967,783	10.60	781,426	1,475,348
Withholding tax payable	35,445,884	42,495,460	(16.59)	31,036,290	39,970,017
Value Added Tax - Suppliers	43,947,813	1,266,796	3,369.21	40,576,911	40,962,012
Local content tax payable	-	42,285,517	(100.00)	-	1,266,796
Value Added Tax - Customers	56,181,841	59,411,030	(5.44)	46,452,307	42,465,624
At 31st March 2024	137,751,990	147,426,585	(6.56)	118,846,934	126,139,797



THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2024

	ACTUAL YTD 2024 N	HISTORY YTD 2023 N	CHANGE %	2023 N	2022 N
30. Employees' benefits					
Defined contribution plans (note 27.1)	5,347,615	5,024,763	6.43	2,995,027	2,937,537
30.1 Defined contribution plans					
These represent pension contribution. It is computed as follows: 8% of the employee's basic salary, housing and transport is contributed monthly by the employee and 10% of the employee's basic salary, housing and transport is contributed by the employer. The monthly contribution is remitted to the Pension Fund Administrators in accordance with the Nigerian Pension Reform Act 2014.					
At 1 January	2,995,027	2,937,537	1.96	2,937,537	926,945
Provision for the period	4,330,134	5,024,763	(13.82)	13,082,609	10,971,707
Payments made during the period	(1,977,546)	(2,937,537)	(32.68)	(13,025,119)	(8,961,115)
At 31st March 2024	5,347,615	5,024,763	6.43	2,995,027	2,937,537
31 Borrowings:					
These represent loan facility of N700.0 million obtained by The Initiates Plc from Bank of Industry in 2021 for procurement of plant and machinery for the treatment and disposal of oil drilling waste as well as industrial cleaning and decontamination services. The loan has a tenor of 5 years with one (1) year moratorium and interest rate of 8% per annum commencing from the date of first disbursement.					
The loan was secured with a Bank Guarantee from Providus Bank Plc. The security for the guarantee is as follows:					
- Mortgage Debenture on the Company's assets situated at Plot 400 Location Road, Umuebule 5, Aba/PH Expressway, Port Harcourt, Rivers State, to be valued by a Bank accredited valuer.					
- Irrevocable domiciliation of contract proceeds to Providus Bank.					
- Personal Guarantee of the Managing Director and another director supported by notarized Statements of Network.					
31.1.1 Loan facility from Bank of Industry					
At 1 January	550,000,000	700,000,000	100.00	700,000,000	700,000,000
Repayments in the period	(50,000,000)	-	-	(150,000,000)	-
	500,000,000	700,000,000	-	550,000,000	700,000,000
31.2 Short Term Borrowings					
tenor of 6 months.					
Providus Bank Plc (note 32.2.1)	134,908,950	-	100.00	134,908,950	-
Wema Bank Plc (note 32.2.2)	134,908,950	-	100.00	134,908,950	-
Repayments in the year	(152,896,750)	-	100.00	-	-
At 31st March 2024	116,921,150	-	100.00	269,817,900	-
32.2.1 Providus Bank Plc					
At 1 January	134,908,950	-	-	-	-
Invoice Discounting Facility in the year	(134,908,950)	-	-	134,908,950	-
At 31 March 2024	-	-	-	134,908,950	-
32.2.2 Wema Bank Plc					
At 1 January	134,908,950	-	-	-	-
Invoice Discounting Facility in the year	-	-	-	134,908,950	-
Repayments in the year	(17,987,800)	-	-	-	-
At 31 March 2024	116,921,150	-	-	134,908,950	-



THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2024

	ACTUAL Q1 2024 N	HISTORY Q1 2023 N	2023 N	2022 N
32. Information regarding directors and employees				
32.1. Directors				
Directors' emoluments comprises:				
Fees	-	1,125,000	2,750,000	2,750,000
Others - salaries and allowances	6,510,000	6,120,000	27,360,000	18,500,000
	6,510,000	7,245,000	30,110,000	21,250,000
Highest paid Director (Managing Director) - emolument	6,510,000	6,120,000	27,360,000	18,500,000
Other directors with emoluments	Number Nil	Number Nil	Number Nil	Number Nil
The number of directors with gross emoluments within the band stated were:	Number	Number	Number	Number
Below N3,000,000	-	-	-	-
N3,000,001 - N7,000,000	-	-	-	-
N7,000,001 and above	1	1	1	1
	1	1	1	1
32.2 Employees				
Average numbers of persons employed during the period:				
Management	9	11	9	10
Senior Staff	12	12	13	11
Junior Staff	26	26	28	28
	47	49	50	49
Aggregate payroll costs	N	N	N	N
Salaries and allowances	19,654,473	15,867,430	115,384,096	92,223,763
The number of employees in Nigeria with gross emoluments within the bands stated were:	Number	Number	Number	Number
N100,000	-	3	-	-
N500,001	10	22	4	20
N1,000,001	17	12	26	12
N1,500,001	20	12	20	17
	47	49	50	49



DOCUMENT TITLE: 2024 FIRST QUARTER MANAGEMENT ACCOUNT

DOCUMENT NO.: TIP-FIN-MNG -0026

REV NO.: 00

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2024

33. Guarantees and other financial commitments

The company did not guarantee any loan to the directors and officers of the company during the year.

34. Financial commitments

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the company's financial statements have been taken into account in the preparation of the financial statements under review.

35. Contingent liabilities

There were no contingent liabilities arising from litigations in the ordinary course of business.

36. Capital commitments

There were no capital commitments at 31st March 2024

37. Events after the reporting date

COVID-19

The Directors are of the view that the going concern or the continuing existence of the Company is not in doubt, as a result of the impact of COVID-19 on their future operations.

38. Earnings per Share

Earnings per share are based on profit after tax and number of fully paid ordinary shares.

	ACTUAL	HISTORY		
	Q1 2024	Q1 2023	2023	2022
	N	N	N	N
Profit attributable to ordinary shareholders (in naira)	281,733,427	9,788,705	348,227,012	(53,702,668)
Number of ordinary shares issued and fully paid for basic earnings per share (in	889,981,552	889,981,552	889,981,553	889,981,552
Basic earnings per 50 kobo share	31.66	1.10	39.13	(0.06)



DOCUMENT TITLE: 2024 FIRST QUARTER MANAGEMENT ACCOUNT

DOCUMENT NO.: TIP-FIN-MNG -0026

REV NO.: 00

THE INITIATES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2024

39. Professional firms

The following firms provided professional services to the Company and their FRC registration numbers are stated as follows:

Audit Firm

The audit firm is Madu, Onyekwena & Co. The firm is responsible for the audit of the Company's records and provision of tax consultancy services. The FRC number is FRC/2013/ICAN/00000004886.

Estate Surveyors and Valuers

Jide Taiwo & Co. is the firm that values the Company's assets. The FRC registration number is FRC/2012/00000000254.

Company Secretary

Mrs. Olaide Odejobi is the Company's Secretary. She is responsible for filing accounts with Corporate Affairs Commission, Securities and Exchange Commission together with other secretarial functions. The FRC registration number is

Registrars

Apel Capital Registrars Limited is the Company's Registrars. They are responsible for keeping the records of shareholders and paying dividends. The FRC registration number is FRC/2017/ICAN/00000014821.



DOCUMENT TITLE: 2024 FIRST QUARTER MANAGEMENT ACCOUNT

DOCUMENT NO.: TIP-FIN-MNG -0026

REV NO.: 00

THE INITIATES PLC

OTHER NATIONAL DISCLOSURES



THE INITIATES PLC

STATEMENT OF VALUE ADDED FOR THE PERIOD ENDED 31ST MARCH 2024

	ACTUAL		HISTORY		2023		2022		
	Q1 2024		Q1 2023		N		N		
	N		N		N		N		
Revenue from contracts with customers	314,610,107		197,495,602		1,849,471,769		841,469,215		
Other income	-		-		147,854,186		17,447,479		
	314,610,107		197,495,602		1,997,325,955		858,916,694		
Less: Bought in materials and services									
Imported									
Local	186,347,328		128,913,409		1,314,908,196		812,145,246		
Value added	128,262,779	100%	68,582,193	100%	682,417,759	100%	46,771,448	100%	
Applied as follows:									
To pay employees' salaries wages and other benefits	19,654,473	15 ▲	15,867,430	23	115,384,096	17	92,223,763	197	
To pay Government taxation	30,783,480	24 ▲	5,281,439	8	131,938,414	19	4,897,631	10	
To provide for enhancement of assets and expansion:									
- deferred tax	-	▲	-	▲	-	39,607,688	6	(40,565,162)	(87)
- depreciation of fixed assets	12,409,932	10 ▲	36,210,266	53	47,260,549	7	43,917,884	94	
- retained in the business	65,414,894	51 ▲	11,223,058	16	348,227,012	51	(53,702,668)	(115)	
	128,262,779	100	68,582,193	100	682,417,759	100	46,771,448	100	

Note: "Value added" represents the additional wealth which the company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth amongst employees, capital providers, government, and that retained for future creation of wealth.

**THE INITIATES PLC****FIVE YEARS FINANCIAL SUMMARY**

	← 2023	2022	31-December 2021	2020	→ 2019
	N	N	N	N	N

Statement of Financial Position**Assets employed**

Property, plant and equipment	1,531,133,502	1,140,204,567	833,863,484	855,137,712	864,209,717
Asset-in-transit	120,589,302	265,057,884	-	-	-
Other non-current assets	17,907,467	31,218,067	29,048,667	10,000,000	-
Investments	105,259,214	105,140,247	-	-	-
Current Assets	784,878,064	548,397,709	931,537,536	279,201,154	285,090,412

Total Assets	<u>2,559,767,549</u>	<u>2,090,018,474</u>	<u>1,794,449,687</u>	<u>1,144,338,866</u>	<u>1,149,300,129</u>
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Equity

Issued capital	444,990,776	444,990,776	444,990,776	444,990,776	444,990,776
Share premium	17,780,000	17,780,000	17,780,000	17,780,000	17,780,000
Revaluation reserve	303,473,535	303,473,535	303,473,535	303,473,535	303,473,535
Retained earnings	411,981,089	(53,379,368)	323,300	77,564,598	161,389,109

	1,178,225,400	712,864,943	766,567,611	843,808,909	927,633,420
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Liabilities

Non-current liabilities	672,126,879	782,519,191	823,084,353	108,914,292	92,186,159
Current liabilities	709,415,270	594,634,340	204,797,723	191,615,665	129,480,550

Total liabilities and equity	<u>2,559,767,549</u>	<u>2,090,018,474</u>	<u>1,794,449,687</u>	<u>1,144,338,866</u>	<u>1,149,300,129</u>
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Statement of Profit or Loss and Other Comprehensive Income

Revenue	<u>1,849,471,769</u>	<u>841,469,215</u>	<u>333,899,008</u>	<u>448,013,531</u>	<u>550,218,779</u>
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Profit/(loss) before taxation	519,773,114	(43,371,614)	(62,236,489)	(5,683,148)	95,820,558
Income tax expense	(171,546,102)	(10,331,054)	(15,004,809)	(78,141,363)	(53,551,712)

Profit/(loss) after taxation	<u>348,227,012</u>	<u>(53,702,668)</u>	<u>(77,241,298)</u>	<u>(83,824,511)</u>	<u>42,268,846</u>
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Other Comprehensive income

Revaluation surplus on property, plant and equipment	-	-	-	-	221,263,007
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Other comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>221,263,007</u>
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Total comprehensive income/(loss) for the year	<u>348,227,012</u>	<u>(53,702,668)</u>	<u>(77,241,298)</u>	<u>(83,824,511)</u>	<u>263,531,853</u>
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Basic earnings/(loss) per share (kobo)	<u>39</u>	<u>(6)</u>	<u>(9)</u>	<u>5</u>	<u>5</u>
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Net assets per share (kobo)	<u>132</u>	<u>80</u>	<u>86</u>	<u>95</u>	<u>104</u>
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Basic earnings/(loss) per share are calculated on the profit/(loss) after tax and the number of fully paid ordinary shares at the end of each year.

Net assets per share are based on the net assets and the number of fully paid ordinary shares at the end of each year.